



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JAN 14 2013

REPLY TO THE ATTENTION OF:

WN-16J

Alan Keller, P.E.
Manager, Permit Section
Division of Water Pollution Control
Illinois Environmental Protection Agency
Post Office Box 19276
Springfield, Illinois 62794-9276

Re: U.S. Environmental Protection Agency Objection to Draft NPDES Permit, Citgo Petroleum Corporation, Lemont, IL Permit No. IL0001589

Dear Mr. Keller:

The U.S. Environmental Protection Agency has reviewed the revised Draft National Pollutant Discharge Elimination System Permit (Permit) and Public Notice/Fact Sheet, dated October 12, 2012 and received by EPA on October 17, 2012. We have also reviewed the supporting documents for the subject facility received by EPA on May 14, 2012 as well as the "Water Quality Based Effluent Limits" memos emailed to EPA on June 27, 2012.

In accordance with 40 C.F.R. § 123.44, and for the reasons set forth in this letter, EPA is objecting to the revised permit. As provided by 40 C.F.R. § 123.44(b)(2)(ii), we are indicating the actions that must be taken by the State to eliminate the objections, including conditions which the permit would include if it were issued by EPA. Based on our review, we have the following Objections:

1. The permit record does not reflect that a reasonable potential (RP) analysis for ammonia nitrogen for Outfall 001 has been conducted. (40 C.F.R. § 122.44(d)(1))

EPA would conduct an RP analysis to determine whether more stringent effluent limitations to meet water quality standards are required. In the Public Notice/Fact Sheet, Adjusted Standard (AS) 08-8 is cited as a basis for the ammonia nitrogen limitation, in lieu of the more stringent limitations set forth in 35 Ill. Adm. Code 304.122(b). AS 08-8 and 35 Ill. Adm. Code 304.122(b) are technology-based effluent limitations. Because it is not stated whether or not these technology limits were compared with a water quality RP analysis it is unclear whether or not compliance with the AS 08-8 limits will allow water quality standards to be met. If an RP analysis has been conducted, please provide it.

2. The permit record does not contain a best technology available (BTA) determination that the current cooling water intake meets the requirements of CWA § 316(b). (40 C.F.R. § 125.90(b))

EPA would discuss the process for making such a determination in the Fact Sheet and set forth a best professional judgment BTA determination in the permit. Although process water is being drawn from the Chicago Sanitary and Ship Canal, the draft permit does not address the method(s) by which the location, design, construction and capacity of the cooling water intake structure will use the best technology available in order to minimize adverse environmental impacts. The Fact Sheet indicates that Illinois Environmental Protection Agency determined that the intake met the BTA standard at the time of construction. However, the best professional judgment assessment must be conducted with each permit renewal in order to consider whether new technologies exist, or if costs of existing technologies have decreased, such that changes in the BTA determination must be made.

3. The proposed permit does not contain a limit for total dissolved solids (TDS), in order to meet the current standard of 1,500 mg/l, which applies in Secondary Contact and Indigenous Aquatic Life waters, including the Chicago Sanitary and Ship Canal. (40 C.F.R. § 122.44(d))

EPA would include an effluent limitation in the permit to ensure that the TDS water quality standard is met. In 2005, the Illinois Pollution Control Board provided relief from the TDS standard for the discharge at Outfall 001, in accordance with PCB 05-85. This relief was extended per PCB 08-33 and expires on May 15, 2013. To date, no variance for TDS discharges from this outfall has been approved by EPA Region 5. If a variance is approved by EPA in the future, the permit should be modified consistent with 40 C.F.R. § 122 Subpart D. The current permit requires monitoring only for TDS. Since the previous permit did not contain an effluent limitation for TDS at this outfall, the permittee may request that a compliance schedule be included in the permit.

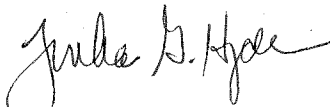
EPA also encourages you to also address the additional comments on the permit provided in Enclosure A. While EPA does not intend to object to the issuance of the permit based on those comments, EPA strongly encourages you to address them to improve the clarity of the permit requirements. Likewise, EPA strongly encourages you to address the comment below related to the Fact Sheet:

1. The Public Notice/Fact Sheet states that “(a)fter December 31, 2013, the discharge from Outfall 001 must comply with the ammonia standards of 35 Ill. Adm. Code 304.122(b), unless the existing relief is extended or renewed, or new relief is granted.” The extension of the relief provided in AS 08-8 as referenced in the Public Notice/Fact Sheet would require a permit modification subject to public notice and comment requirements, or it would not comply with the requirements of 40 C.F.R. § 122.62. Therefore, EPA

recommends that the Fact Sheet be amended to include a statement that if relief is extended any permit modifications will be consistent with 40 C.F.R. § 122.62.

Under 40 C.F.R. § 122.4(c) the State may not issue this permit over an EPA objection. We look forward to working with IEPA as it revises the permit to resolve these objections and to ensure that it complies with the CWA and EPA's implementing regulations. In accordance with 40 C.F.R. § 123.44(e), the State or any interested person may request that a public hearing be held by the Regional Administrator on these objections. Following such a hearing, if one is held, the Regional Administrator will reaffirm the original objection, modify the terms of the objection, or withdraw the objection. The Regional Administrator may issue the permit if IEPA does not timely resubmit a permit revised to meet EPA's objections consistent with 40 C.F.R. § 123.44. If you have any questions please contact Patrick Kuefler of my staff at (312) 353-6268 or by Email at kuefler.patrick@epa.gov.

Sincerely,



Tinka G. Hyde
Director, Water Division

Enclosure

cc: Citgo Petroleum Corporation
Shu-Mei Tsai, Permit Writer, IEPA

Enclosure A

U.S. Environmental Protection Agency
Proposed NPDES Permit Dated June 15, 2012

Citgo Petroleum Corp. – Lemont Refinery Permit No. IL0001589

1. Please state whether or not any influent monitoring is required, and if so, for what pollutants.
2. (§ 122.44(d)(1)) In order to ensure that there are no toxics in toxic amounts, it is recommended that a special condition for annual testing of whole effluent toxicity (WET) be included.
3. The following comments apply to Special Condition No. 12 regarding the Storm Water Pollution Prevention Plan (SWPPP):
 - a. **Special Condition 12 General Comment:** When EPA reissued its 2008 revision of the Multi-Sector General Permit (MSGP) for Storm Water Discharges Associated with Industrial Activity, it separated the non-numeric effluent limitations (Parts 2 and 8 of the MSGP) from the requirement to develop a storm water pollution prevention plan (Part 5 of the MSGP). The permit was reformatted to conform the MSGP to several court decisions related to storm water general permits. A detailed discussion can found in Section II.B.2 of the MSGP Fact Sheet (http://www.epa.gov/npdes/pubs/msgp2008_finalfs.pdf). We recommend that IEPA separate the non-numeric effluent limitations from the requirement to develop a storm water pollution plan consistent with EPA's MSGP. This will allow for public review of the effluent limitations for storm water discharges when the permit is placed on public notice. We recommend that IEPA adopt this approach.
 - b. **Special Condition 12.A:** It is recommended that the words "and implemented" be added following the word "maintained".
 - c. **Special Condition 12.C and 12.D:** We recommend that any amendments to the SWPPP be signed in accordance with 40 CFR 122.41(k) and 40 CFR 122.22(b).
 - d. **Special Condition 12.E.2.x:** We recommend deleting this provision as our recommendation in Special Condition 12.K would address CBI.
 - e. **Special Condition 12.G:** We recommend that this condition be revised as follows: You must document that you have evaluated for the presence of non-storm water discharges and that all unauthorized discharges have been eliminated. Documentation of your evaluation must include: (1) The date of any evaluation; (2) A description of the evaluation criteria used; (3) A list of the outfalls or onsite drainage points that were directly observed during the evaluation; (4) The different types of non-storm water discharge(s) and source locations; and (5) The action(s) taken, such as a list of control measures used to eliminate unauthorized discharge(s), if any were identified. For example, a floor drain was sealed, a sink drain was re-routed to sanitary, or an NPDES permit application was submitted for an unauthorized cooling water discharge.

Enclosure A

U.S. Environmental Protection Agency
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- f. **Special Condition 12.I:** We recommend that this condition include routine facility inspections on quarterly basis similar to Part 4.1 of EPA's MSGP in addition to the quarterly visual outfall observations.
- g. **Special Condition 12.K:** We recommend that this condition include language similar to the following: Confidential Business Information (CBI) may be withheld from the public, but may not be withheld from those staff cleared for CBI review within the Agency or the operator of the municipal separate storm sewer system. (See Part 5.1 of EPA's MSGP)